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C O N F I D E N T I A L SECTION 01 OF 03 MANAMA 000044

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SUBJECT: CROWN PRINCE BRIEFS CNO PANEL ON REGIONAL,

DOMESTIC ISSUES

REF: MANAMA 0024

Classified By: Ambassador William T. Monroe for reasons 1.4 (b) and (d)

Summary

11. (C) Crown Prince Shaikh Salman told CNO Executive Panel co-chairs Zakheim and Skinner January 9 that the two issues of greatest concern in the region are Iran and perceived limitations on the U.S.'s ability to project power. With changes in Iraq and Afghanistan, Iran had been freed of its natural constraints and was now trying to restore its traditional hegemonic role in the region. He urged a policy of deterrence of Iran. The CP recommended that the U.S. draw down the number of its troops in Iraq and consolidate them on bases outside of major population centers. He recommended that the U.S. push Israel and the Palestinians to talk. On Syria, he said there should be an effort to break Syria away from Iran. He told the visitors that Bahrain was stable but warned there could be spillover effects from conflicts in Iraq and Lebanon. On democracy, the CP said countries need both the building blocks of democracy as well as elections to succeed. End Summary.

Rebalancing the Equation

- 12. (C) CNO Executive Panel co-chairs Dr. Dov Zakheim and Dr. Kiron Skinner met January 9 with Crown Prince Shaikh Salman bin Hamad Al Khalifa for a discussion of regional and Bahraini domestic issues. Dr. Zakheim described the mission of the CNO Executive Panel, saying it was a forum for considering issues in a more complete way on behalf of the Chief of Naval Operations. Shaikh Salman thanked the U.S. for providing security in the Gulf region, which had allowed Bahrain and other countries to develop. "We wouldn't have this standard of living without the United States," he said. Now is a difficult time, but friends stand by friends. Bahrain supports the United States and the presence of the Fifth Fleet in Bahrain, he asserted.
- 13. (C) Dr. Zakheim asked the CP his views of the region. Shaikh Salman said the two issues of greatest concern are Iran, and perceived limitations on the U.S.'s ability to project power in the region. He said he had spoken several times with U.S. policymakers about the damage Iraq is doing to U.S. interests, and developments in the Israel-Palestinian situation had hurt moderates and reformers. The U.S. and its friends needed to "rebalance the equation."

- ¶4. (C) Shaikh Salman said that with the changes in Iraq and Afghanistan, Iran had been freed of its natural constraints. Iran was now building influence in Iraq, Lebanon, Bahrain, and Central Asia, trying to restore its traditional hegemonic role in the region. The U.S., he said, should reduce its forces in Iraq so it has the resources to confront Iran. Iranian President Ahmadi-Nejad had said recently that Iran could close the Strait of Hormuz and warned that regional countries hosting U.S. forces could be targeted. The CP said, "We need a credible deterrent to Iran, and the U.S. must commit to a proper deterrence." He recommended that the U.S. talk to Iran while joining diplomatic forces with Russia, the EU, India, and China. In this way, Iran might feel that it had become a member of the community of nations. However, if Iran remained obstinate, the other countries would see this and the U.S. position would gain support.
- 15. (C) Regarding Iraq, the Crown Prince said (as he has done many times before) that the U.S. should reduce its forces and pull-back from the front lines. For force protection reasons, remaining U.S. troops should be consolidated into major bases outside of population centers, not deployed across the country. The U.S. should "get out of a sectarian conflict" in Iraq, he said.

Getting Israelis, Palestinians to the Table

16. (C) Shaikh Salman said the U.S. should try to get the Israelis and Palestinians to talk to one another. "You

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should work with the Israelis, and we'll work with the Palestinians." Some momentum could develop with Saudi and Egyptian involvement. In response to Dr. Zakheim's question about Bahrain's ties with Israel, the CP said that Foreign Minister Shaikh Khalid bin Ahmed Al Khalifa had met with Israeli Foreign Minister Livni in New York at the time of the opening of the UN General Assembly. He said that Livni had liked Bahrain's presentation to the UN Security Council on the Arab peace initiative, and she had issued her own statement that Israel was ready to consider the Arab initiative. Dr. Zakheim said he thought the Israelis had missed opportunities for progress when Saudi King Abdullah had issued a statement accepting Israel, and when Mahmoud Abbas was elected president.

17. (C) The Crown Prince stated that the situation in the Palestinian Territories was proof that Islamic style governments will cooperate, whether Sunni or Shia. Hamas, a Sunni Islamist group, was aligned with Shia Iran. The common interests of theologically-based movements supersede sectarian divisions in a trans-national context. When they compete for political power in a confined space, however, as in Iraq, they conflict, he said.

Break Syria Away from Iran

- 18. (C) Turning to Syria, the Crown Prince said there should be efforts to break Syria away from Iran. Once there was verifiable proof of Syria severing its ties with Iran, countries could provide assistance to Syria. If it is not possible to drive a wedge between Syria and Iran, there should be a policy of deterrence. He said he supported regime change in Iran, but not in Syria. If Asad goes, a new regime would be worse.
- 19. (C) As a result of Iran's nuclear program, the CP said he fears an arms race in the region. He doubted the GCC as a group would pursue a joint civilian nuclear program, but

Saudi Arabia and the UAE might develop their own programs. But there would be less pressure to go down this path if Iran was not promoting its program.

Bahrain on Even Keel, For Now

- 110. (C) In response to Dr. Skinner's question about conditions in Bahrain, the CP said that there was stability but warned there could be spillover effects from conflicts in Iraq and Lebanon. Bahrain is keeping things on an even keel; it is the only place with significant Sunni and Shia populations without conflict, he said. He cautioned that the United States should not be seen as supporting one side in Iraq over another. Such a perception could harm U.S. standing in the region.
- (C) Asked about democracy in Bahrain, Shaikh Salman said that Bahrain was making progress although it had also made some mistakes. He was thankful that the King and other political actors in Bahrain were reforming the system in a manner that avoided violence. He said he had told Secretary Rice previously that countries need both the building blocks of democracy as well as elections to succeed. The United States, he pointed out, had established systems of law, commerce, land ownership, and economy before it gained political independence. Self-government was the last thing to happen. It was important for the rule of law and a free economy to be established before holding elections. He asserted that the argument that a lack of democracy was causing extremism was too narrow and pointed out that the bombers in the UK were living in an open society. The lack of justice was a more relevant factor. "A political system that exacerbates a problem (in society) is worse than a less-good system that can evolve and improve over time," he stated.

An Islamic Super-State

112. (C) The Crown Prince said there were forces in the Middle East that held as their ultimate goal the creation of an Islamic super-state. The concept of a regional super-state had been tried before, with the pan-Arabism of Nasser. Now Islamists were using similar tactics, but they just put the word "God" in front of their economic and political programs. This trend would not succeed because

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there were too many differences between states. But it is enough to drive a sense of identity between Arabs and Muslims. Weak nation-states like Lebanon and Iraq were threatened, whereas countries like Egypt and Jordan were not. The CP said he was adamant that "maps not be changed." Doing so would open a Pandora's box.